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SUBJECT: RICH GAS HYDRATE FOUND OFF TAIWAN

¶1. SUMMARY. Taiwan confirmed the discovery of rich reserves of gas hydrate deposits off its southwestern waters. The current technology for gas hydrate extraction is not yet fully developed, but the new energy source could meet domestic consumption of natural gas for more than 60 years. Experts from the U.S. are assisting Taiwan in surveying this resource. END SUMMARY

¶2. Taiwan's Ministry of Economic Affairs (MOEA) confirmed August 17 that the seabed off Taiwan's southwestern waters contains rich reserves of natural gas hydrate. MOEA said the reserves, if properly extracted, could meet domestic consumption of natural gas for more than 60 years.

¶3. Taiwan's Central Geological Survey (CGS) reported the reserves are located between Kaohsiung and Hengchun in the southernmost tip of Taiwan and cover an area of about 10,000 square meters. CGS estimates the area contains 500 billion cubic meters of gas hydrate, with an estimated worth of NT\$5 trillion (about US\$153 billion).

¶4. With the current demand for natural gas ranging between 7 billion and 8 billion cubic meters per year, the newly discovered gas hydrate reserves will be able to meet domestic needs for at least six decades, the officials said. CGS noted current extraction technology for gas hydrates is still at an immature state and so commercial production would only be possible in ten years.

¶5. State-owned China Petroleum Corporation (CPC) first detected signs of gas hydrate reserves in the area in the early 1990s. CGS then started exploration in the same area two and a half years ago. Last year, Taiwan conducted a Tow-cam survey cruise in the southwestern waters from September 30 to October 6 with the participation of researchers from the US Woods Hole Oceanography Institution, which helped confirm the existence of the resource. In March this year, experts from the US Geological Survey attended a Taipei gas hydrate workshop sponsored by Taiwan's CGS to review Taiwan's progress in investigating the resource.

¶6. CGS official Chen Song-chun said Taiwan has purchased the TowCam technology from the Woods Hole Oceanography Institution this year and will conduct another survey cruise in the gas hydrate field in October. Woods Hole researchers are expected to take part in the cruise in October, Chen said.

¶7. Taiwan officials noted possible collaboration with countries such as Japan and the U.S. for future development of the oceanic gas hydrate deposits. As Taiwan has scant natural resources and 98

percent of its overall energy supply is imported, the discovery of the gas hydrate field may lessen that dependency in the future, CGS officials said.

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